

# Wyoming Lender Alert

## Information for the Small Business Community

### January 2008

Making a Difference for Small Business in Wyoming

#### U.S. Small Business Administration

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## New Program for Low Volume SBA Lenders

***As a rural lender, you play a vital role in spurring economic growth in your community.*** The small businesses you finance help drive our national economy by creating local jobs and enabling people to realize their dreams in America's Heartland. The U.S. Small Business Administration knows flexible small business loans are an important part of your portfolio. Now you can maximize this potential by participating in an SBA loan-guaranty program designed specifically to help you to make SBA guaranteed loans.

The SBA is the number one backer of loans to small businesses, so if you're not a participating SBA lender, you might be giving up a competitive edge and missing out on a chance to help your rural communities prosper. The Rural Lender Advantage, being tested in six states, can be good for your business and good for your customers. The SBA hopes to implement Rural Lender Advantage by the end of the year. Some advantages of partnering with the SBA include:

### How you benefit

- A new, user friendly 7(a) loan processing service designed to meet the needs of smaller, rural lenders, ***for lenders making less than 20 loans per year.***
- A shorter, simplified application for loans \$350,000 or less.
- Centralized and expedited SBA loan processing (generally 3-5 days).
- SBA's 75/85 percent guaranty mitigates your risk, allowing you to offer credit to newer, less secure businesses.
- The guaranteed portion of an SBA loan can be sold to an investor to maintain your liquidity and enhance your yield.
- Applications can be transmitted by fax. Online processing will be available in early 2008.
- Limited financial information will be collected.
- Simplified SBA loan eligibility checklist to help lenders meet SBA's eligibility criteria.
- Access to specialized eligibility assistance through SBA's Sacramento Center help desk.
- Training on SBA loan requirements and processes is available from local SBA offices. (see **program** on page 2)

(program continued from page 1)

### **How the community benefits**

- SBA loans finance a variety of projects, from startup businesses to businesses that need facilities and equipment to expand.
- Allows retention and building of community businesses.

### **How small business owners benefit**

- Less paperwork and red tape
- Faster SBA turnaround
- Electronic processing cuts time and expense
- Online SBA technical assistance available

Making SBA loan programs available to your small-business customers makes sense for you, your customers and your community. For more information about SBA loans, contact your local SBA office listed in the blue tinted column on the reverse side.

SBA programs and services are provided on a nondiscriminatory basis.

### **Employers Must Use New I-9 Form**

Employers will be required to use the new Employment Eligibility Verification Form I-9 starting Dec. 26, 2007, or risk fines and penalties, says U.S. Citizenship and Immigration Services (USCIS). The Illegal Immigration Reform and Immigrant Responsibility Act requires employers to use Form I-9 to verify the identity and work eligibility of all new employees (including U.S. citizens) at the time they are hired. Completed I-9 forms are to be maintained by the employer, in hard-copy or electronic format, for three years after the employee's date of hire or for a year after the date the employment is terminated, whichever is later, USCIS says.

## **FEATURED SUCCESS STORY**

### **Frontier Tire, LLC**

Just out of high school, Jeff Dorr decided to take a job at Frontier Tire which was owned by a friend of the family since the late 40's. Little did he know that one day he would own this business. Jeff learned he really liked working with people and giving service in a timely manner. Over the next few years he tried out other jobs but always came back to Frontier Tire. Jeff says, "The tire business is in my blood." When the owner decided to retire, Jeff knew what he had to do. On December 16<sup>th</sup> Jeff will have owned the business 17 years. He started out with only himself and one employee, now he has seven employees.



It wasn't all easy at first, he applied for gap monies from the City of Worland for curbs and gutters, he slowly changed over from manual accounting to Quick Books and even a bigger obstacle was gaining trust from people in the community to

do business with him when the other owner retired. He also found that good employees are not that easy to find. Jeff offers paid vacations, gives out bonuses and pays for holidays off.

In August 2005, Jeff was able to start remodeling his building by applying for a Small Business Administration (SBA) loan. He visited with Connie Clark at the American National Bank who helped him prepare the loan application. In March of 2006 the remodel work was completed, now he has a great building that won't be falling down like the old one.

Jeff likes to help out the community by sponsoring end of the year high school activities such as buying advertising in the year book, he supports Special Olympics, has supported the County Fair for the last 15-17 years by purchasing livestock or buying



(see **Success** on page 3)

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advertising, is a member of the chamber and enjoys helping people in need. Jeff told the story about an older gentleman that came in for an oil change and mentioned he would be back in the spring for a new set of tires. When he left, he left with a new set of tires and a Merry Christmas from Santa and Jeff.

Jeff invites you to stop by and visit with him at 417 North 10<sup>th</sup> St. in Worland.

### How's YOUR CREDIT?

**So...how's your credit?** If you've been wondering that very question, you're in luck. The Small Business Administration and the Natrona County Public Library and Consumer Credit Counseling present a workshop to explain what credit scores mean, how to improve your score, and tips for using credit wisely. This free workshop will be held on Wednesday, January 23, at 6:30pm at the Library. The workshop is helpful to both individuals and business owners. Call 307 577-READ to register for this event.

**TRIVIA: Who was married in Cheyenne at the location of the First United Methodist Church in 1874?**

Wild Bill Hickok married Agnes Lake Thatcher. The presiding minister noted in his prayer book that he "didn't think they meant it." Hickok was slain during a poker game in Deadwood, South Dakota five months later. He was holding two pairs - aces and eights - which soon became known as the "dead man's hand."

The U.S. Small Business Administration and Nationwide Mutual Insurance Company have teamed up to launch a disaster-planning guide for small business owners. SBA Deputy Administrator Jovita Carranza and Nationwide Associate Vice President for Safety Bill Windsor made the announcement on December 4, 2007, during an event at the National Press Club.

The 10-page guide provides information business owners need to develop an effective plan to protect customers and employees in the event of a disaster. The guide provides key disaster preparedness strategies to help small businesses identify potential hazards, create plans to remain in operation if the office is unusable, and understand the limitations of their insurance coverage.

"The most successful recovery efforts are always preceded by good planning," said Carranza. "The more preparation that businesses complete before a disaster, the better able they are to rebuild and reopen quickly after a disaster.

"Disasters can have a devastating impact on small businesses," said Windsor. "How quickly those businesses can get up and running after a disaster can have a significant impact on a community's ability to recover. Understanding this, the SBA and Nationwide have created this guide to help business owners get their arms around the disaster planning process, and convince them to mitigate their risk."

Hard copies of the guide will be distributed by SBA field offices, its resource partners around the country and disaster field offices. Nationwide will make additional copies available to its agents for distribution. An electronic version of the guide will be available online at:

[www.sba.gov/services/disasterassistance/disasterpreparedness/index.html](http://www.sba.gov/services/disasterassistance/disasterpreparedness/index.html) and at: [www.nationwide.com/disaster-planning-recovery.jsp](http://www.nationwide.com/disaster-planning-recovery.jsp)

The company provides a full range of insurance and financial services, including auto, motorcycle, boat, homeowners, life, farm, commercial insurance, administrative services, annuities, mortgages, mutual funds, pensions, long-term savings plans and health and productivity services.

The SBA is the federal government's primary post-disaster economic recovery agency. Homeowners may borrow at favorable rates up to \$200,000 to repair or replace damaged real estate. Individuals may borrow up to \$40,000 to cover losses to personal property available to people when a federally declared disaster occurs.

For more information, visit [www.sba.gov/wy](http://www.sba.gov/wy) and click on Disaster.



## Disaster Assistance Available for Small Businesses

Small, non-farm businesses in nine **Wyoming** counties may now apply for low-interest disaster loans from the U. S. Small Business Administration (SBA). These disaster loans offset economic losses because of reduced revenues caused by drought in the primary Wyoming counties of **Albany** and **Uinta** beginning January 1, 2007, announced Alfred E. Judd, Director of SBA's Disaster Field Operations Center - West.

Primary Wyoming counties: **Albany** and **Uinta**

Neighboring Wyoming counties: **Carbon, Converse, Laramie, Lincoln, Natrona, Platte** and **Sweetwater**

Small businesses may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred. "Eligibility for these working capital loans is based on the financial impact of the disaster only and not on any actual property damage. These loans have an interest rate of 4%, a maximum term of 30 years, and are restricted to small businesses without the financial ability to offset the adverse impact without hardship," Judd said.

By law, SBA makes EIDLs available when the U.S. Secretary of the Agriculture designates an agricultural disaster. Acting Secretary Chuck Conner declared this disaster at the request of Governor Dave Freudenthal.

Businesses primarily engaged in farming or ranching are not eligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency about the U.S. Department of Agriculture assistance made available by the Acting Secretary's declaration. However, in drought disasters, nurseries are eligible for SBA disaster assistance. For more information contact Steve Parker at 307-261-6506 or email [Stephen.Parker@sba.gov](mailto:Stephen.Parker@sba.gov).

## Calendar Year 2008 Schedule of 1502 Report & Payment due Dates for 7(a) Loans

Paragraph 6 of SBA Form 1086, states that payments are due at the Fiscal and Transfer Agent (FTA) on the third **calendar** day of the month or the next business day if the third is not a business day. The SBA allows a grace period of two business days after the due date. If FTA receives a regularly scheduled payment after the expiration of the grace period, a Late Penalty is assessed (subject to a maximum of \$5,000.00). Paragraph 6© of SBA Form 1086 describes the components of the Late Penalty. Lenders are billed for Late Penalties at the end of each month. Late Penalties are due to Colson (FTA) with the Lender's next monthly remittance. Below is a schedule of **final** due dates that includes the grace period of two business days for regularly scheduled payments. Payments received after the final due date will be subject to the Late Penalty.

### 2008

January 7  
February 6  
March 5  
April 7  
May 7  
June 5

July 8  
August 6  
September 5  
October 7  
November 5  
December 5

If you have any questions, please contact Steve Parker in the Wyoming District Office at 307-261-6506 or email: [stephen.parker@sba.gov](mailto:stephen.parker@sba.gov)

## Calendar of Events

**January 3** - Women's Roundtable Jackson  
**January 8** - Women's Roundtable Newcastle  
**January 9** - Women's Roundtable Casper  
**January 15** - Women's Roundtable Cody  
**January 17** - Women's Roundtable Powell  
**January 22** - Women's Roundtable Worland  
**January 23** - So How's Your Credit? Workshop/Casper